

By: Coleman

H.B. No. 2663

A BILL TO BE ENTITLED

AN ACT

relating to the treatment for ad valorem tax purposes of real property used for certain low-income or moderate-income housing.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 11.1825(s-1), Tax Code, is amended to read as follows:

(s-1) The [~~For property described by Subsection (f)(2),~~
~~the~~] amount of the exemption under this section from taxation is 100 percent of the appraised value of the property.

SECTION 2. Section 23.215, Tax Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) The chief appraiser shall appraise the property using the income method of appraisal described by Section 23.012 [~~in the manner provided by Section 11.1825(g)~~]. The chief appraiser shall use that method regardless of whether the chief appraiser considers that method to be the most appropriate method of appraising the property. In appraising the property, the chief appraiser shall:

(1) consider the restrictions provided by this section on the income of the individuals or families to whom the dwelling units may be rented and the amount of rent that may be charged for purposes of computing the actual rental income from the property or projecting future rental income; and

(2) use the same capitalization rate that the chief appraiser uses to appraise other rent-restricted properties.

1 (c) Not later than January 31 of each year, the appraisal
2 district shall give public notice in the manner determined by the
3 district, including posting on the district's Internet website if
4 applicable, of the capitalization rate to be used in that year to
5 appraise property described by this section.

6 SECTION 3. Sections 11.1825(q), (r), (s), (v), (w), (x),
7 and (y), Tax Code, are repealed.

8 SECTION 4. The changes in law made by this Act to Sections
9 11.1825 and 23.215, Tax Code, apply only to an ad valorem tax year
10 that begins on or after January 1, 2016.

11 SECTION 5. This Act takes effect January 1, 2016.